

EXHIBIT C

Stockton USD First Demand Letter 01172018

Robert Torres
STOCKTON CITY UNIFIED SCHOOL DISTRICT
701 N. MADISON STREET
STOCKTON, CA 95202-1687



Universal Service
Administrative Co.

First Demand Payment Letter

Robert Torres
STOCKTON CITY UNIF SCHOOL DIST
701 N MADISON ST
STOCKTON, CA 95202 - 1687

01/17/2018

DEMAND FOR PAYMENT OF DEBT OWED TO THE UNITED STATES

This letter is to notify you that the Universal Service Administrative Company ("USAC"), acting on behalf of the Federal Communications Commission (FCC or Commission), has determined that STOCKTON CITY UNIF SCHOOL DIST received improper payments of \$18,117.00 from the Universal Service Fund. On June 21, 2017, USAC sent STOCKTON CITY UNIF SCHOOL DIST a Recovery of Improperly Disbursed Funds Letter informing STOCKTON CITY UNIF SCHOOL DIST of the decision to recover funds for the Funding Request Number(s) (FRNs) listed on the Adjustment Report included in this demand letter. A summary of the relevant FRNs with the corresponding recovery amounts and explanations for the recovery sought is as follows:

Total Due **\$18,117.00**

Due Date **2/16/2018**

Note: Your due date is adjusted to the next business day when the due date is on a weekend or Federal holiday

<i>FCC Form 471</i>	<i>FRN</i>	<i>Commitment adjustment</i>	<i>Total amount to be recovered</i>	<i>Explanation(s)</i>	<i>Party to recover from</i>
321303	856634	\$0.00	\$18,117.00	Could not locate equipment	Applicant

See Attached Adjustment Report for more information on the specific FRNs and ~~Explanations~~ listed above.



**Universal Service
Administrative Co.**

The FCC has determined that the \$18,117.00 overpayment is a debt owed to the United States (the "Debt") and has instructed USAC to collect payment of the Debt pursuant to the Debt Collection Improvement Act, 31 U.S.C. §3701, et seq. ("DCIA"). Accordingly, USAC hereby demands that STOCKTON CITY UNIF SCHOOL DIST immediately pay the Debt, which is due and owing without further demand within thirty (30) days of the date of this letter (the "Due Date"). Payment instructions are provided below.

If STOCKTON CITY UNIF SCHOOL DIST does not pay the Debt in full on or by the Due Date, the Debt will be delinquent on that date and thereafter, may accrue interest, administrative costs and penalties, in accordance with the DCIA. For further information on the DCIA, and the Treasury and FCC debt collection regulations implementing the DCIA, please see 31 U.S.C. § 3701, et seq., 31 C.F.R. § 900, et seq. and 47 C.F.R. § 1.1901, et seq.

Pursuant to the FCC's Red Light Rule, unless an administrative appeal of the Recovery of Improperly Disbursed Funds Letter is pending, neither the FCC nor USAC will act on any STOCKTON CITY UNIF SCHOOL DIST funding application(s) or any payment request(s), until the Debt and all charges which may have accrued are paid in full or resolved. In addition, if all or a portion of the Debt and any accrued charges remain after the Due Date, unless an appeal is pending or other satisfactory arrangements have been made, all STOCKTON CITY UNIF SCHOOL DIST applications and requests for benefits will be dismissed. For more information on the FCC's Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>. In determining whether an entity is delinquent for purposes of the FCC's Red Light Rule, the FCC and USAC match the FCC Registration Number of the Debtor to the FCC's database of debts; the Debtor's FCC Registration Number will be linked to all other FCC Registration Numbers associated with the same Taxpayer Identification Number (TIN).

In addition, if STOCKTON CITY UNIF SCHOOL DIST does not pay the Debt and all accrued charges in full by the Due Date, the FCC may instruct USAC to offset or recoup the Debt and any accrued charges against any monies, including Universal Service Fund disbursements, USAC or the FCC may owe STOCKTON CITY UNIF SCHOOL DIST.

Further, unless an appeal is pending or other satisfactory arrangements have been made, no later than 90 days from the date of this demand letter, USAC will refer the delinquent Debt and any accrued charges to the United States Treasury for further collection action, in which event the United States Treasury will impose an additional surcharge (currently 28% of the Debt). The United States Treasury may offset the Debt and any accrued charges against monies owed to you by the United States. In addition, the United State Treasury may report STOCKTON CITY UNIF SCHOOL DIST's delinquency to credit bureaus and STOCKTON CITY UNIF SCHOOL DIST may be denied federal financial assistance.

STOCKTON CITY UNIF SCHOOL DIST has 15 days from the date of this letter to request a review of the records



supporting this Debt. STOCKTON CITY UNIF SCHOOL DIST may also request a written agreement to repay the Debt, but only if it makes the request within 15 days of the date of this letter. An explanation of the process by which STOCKTON CITY UNIF SCHOOL DIST may request a repayment agreement can be found at <http://usac.org/cont/making-payments/payment-plans.aspx>. All payment plan requests are subject to FCC approval.

You previously received information regarding your appeal rights in the Recovery of Improperly Disbursed Funds Letter.

Payment of the Debt should be made as follows:

U.S. Postal Service and Standard Mail

USAC
PO Box 105056
Atlanta, GA 30348-5056

Courier and Overnight Packages

Bank of America c/o USAC
Lockbox 105056
1075 Loop Road
Atlanta, GA 30337
(404) 209-6377

ACH payments in CCD+ format

ABA Routing # 071000039
Account # 5590045653
100 West 33rd Street, New York, NY 10001

Wire Transfers

Bank of America
100 West 33rd Street, New York, NY 10001
ABA Routing # 026009593
Account # 5590045653
Account Type: DDA
Account Name: UNIVERSAL SERVICE
ADMINISTRATIVE COMPANY

If you have questions, or believe that you received this notification in error, please contact us or call the USAC Client Service Bureau at (888) 203-8100 for further assistance.



Adjustment Report

FCC Form 471 Application Number: 321303
Funding Request Number: 856634
Commitment Adjustment: \$0.00
Total Amount to Be Recovered: \$18,117.00
Explanation(s): Could not locate equipment

Party to Recover From: Applicant
Funding Year: 2002
Billed Entity Number: 144339
Services Ordered: INTERNAL CONNECTIONS
Service Provider Name: AMS.NET, Inc.
SPIN: 143005880
Original Funding Commitment: \$64,178.93
Adjusted Funding Commitment: \$64,178.93
Funds Disbursed to Date: \$64,178.93

Funding Commitment Adjustment Explanation

After a thorough investigation, it has been determined that funds were improperly disbursed on this funding request. During the course of an audit it was determined that the following equipment purchased with the Universal Service funds for FY 2002, FRN 856634, could not be located: Seven switches were missing and one switch was not uninstalled. The total cost of the equipment was \$18,117.00. FCC rules require that the equipment purchased with program discounts be located at an eligible entity and be utilized effectively for educational purposes. The rules require that applicants retain asset and inventory records of equipment purchased and components of supported internal connections services sufficient to verify the location of such equipment for five years. Since the equipment purchased with Universal Service funds could not be located the above FCC rules were violated. USAC will seek recovery of \$18,117 of improperly disbursed funds from the applicant.

EXHIBIT D

Stockton USD Second Demand Letter 02202018

Robert Torres

STOCKTON CITY UNIF SCHOOL DIST

701 N Madison Street

STOCKTON, CA 95202-1687



Universal Service
Administrative Co.

Second Demand Payment Letter

Robert Torres
STOCKTON CITY UNIF SCHOOL DIST
701 N MADISON ST
STOCKTON, CA 95202 - 1687

02/20/2018

Second Demand for Payment of a Debt Owed to the United States

This letter is a second demand for payment of a debt owed to the United States. On January 17, 2018, USAC sent STOCKTON CITY UNIF SCHOOL DIST a letter demanding repayment of a \$18,117.00 overpayment of Universal Service Funds to STOCKTON CITY UNIF SCHOOL DIST (the "Debt").

Our records indicate that you have not paid the Debt or responded to USAC's demand letter. The Debt is now 31-60 days past due. As we informed you in our first demand letter, USAC may assess interest, penalties and administrative costs on the Debt in accordance with the Debt Collection Improvement Act, 31 U.S.C. §3701, et seq. Until the Debt and any charges which may have accrued are paid in full, all STOCKTON CITY UNIF SCHOOL DIST applications and requests for benefits pending before the FCC and USAC, including funding commitments and payment requests, will be dismissed pursuant to the FCC's Red Light Rule. For more information on the FCC's Red Light Rule, please see <https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions>. In determining whether an entity is delinquent for purposes of the FCC's Red Light Rule, the Commission matches the FCC Registration Number of the Debtor to its database of debts; the Debtor's FCC Registration Number will be linked to all other FCC Registration Number's associated with the same Taxpayer Identification Number (TIN).

In addition, the FCC may instruct USAC to offset or recoup the Debt and accrued charges against any monies, including Universal Service Fund disbursements, USAC or the FCC may owe STOCKTON CITY UNIF SCHOOL DIST.

Further, unless an appeal of the Debt is pending, USAC will refer the delinquent Debt and accrued charges to the United States Treasury within 90 days of the date of the First Demand Payment Letter for further collection action. If referred, the United States Treasury will impose an additional surcharge (currently 28% of the Debt). The United States Treasury may offset the Debt and all accrued charges against monies owed to you by the United States. In addition, the United State Treasury may report STOCKTON CITY UNIF SCHOOL DIST's delinquency to credit bureaus and STOCKTON CITY UNIF SCHOOL DIST may be denied federal financial assistance.



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